

What is claimed is:

1. A method for monitoring credit of a counterparty having a parent entity, comprising:
  - receiving trade information relating to trades entered into by the counterparty;
  - 5 accumulating positions for the counterparty indicated by the trade information with previously accumulated positions;
  - accumulating positions for the parent entity indicated by the trade information with
  - 10 previously accumulated positions;
  - comparing at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit; and
  - shutting off trading for the
  - 15 counterparty when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading limit.
2. The method of claim 1, further comprising:
  - receiving trade information relating to at least one of cleared trades and failed trades;
  - 5 adjusting accumulated counterparty positions based upon the trade information relating to the at least one of the cleared trades and the failed trades; and
  - adjusting accumulated parent entity
  - 10 positions based upon the trade information relating to the at least one of the cleared trades and the failed trades.

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3. The method of claim 1, further comprising accumulating counter party positions based upon long-bond-equivalents.

4. The method of claim 1, further comprising accumulating parent entity positions based upon long-bond-equivalents.

5. The method of claim 1, further comprising updating an operator interface that shows the accumulated counterparty positions.

6. The method of claim 1, further comprising updating an operator interface that shows the accumulated parent entity positions.

7. The method of claim 1, wherein the comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit comprising:

5 determining whether the at least one trading limit includes a limit for the accumulated counterparty positions; and

comparing the accumulated counterparty positions to the limit for the accumulated counterparty  
10 positions when the limit exists.

8. The method of claim 1, wherein the comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading limit comprising:

5 determining whether the at least one trading limit includes a limit for the accumulated parent entity positions; and

10 entity positions when the limit exists.

9. The method of claim 1, further comprising sending a message to indicate when trading for the counterparty has been shut off.

10. The method of claim 1, further comprising:

comparing at least one of accumulated  
counterparty positions and accumulated parent entity  
5 positions with at least one trading warning level; and  
sending a message to indicate when at  
least one of the accumulated counterparty positions and  
the accumulated parent entity positions exceeds the at  
least one trading warning level.

11. The method of claim 1, further comprising providing an operator interface that prompts an operator to specify the at least one trading limit.

12. A system for monitoring credit of a counterparty having a parent entity, comprising:

a trading system that provides trade information relating to trades entered into by the counterparty; and

a credit processor that:  
receives the trade information  
relating to the trades entered into by the  
counterparty,

10                         accumulates positions for the  
counterparty indicated by the trade information  
with previously accumulated positions.

accumulates positions for the  
parent entity indicated by the trade information  
15 with previously accumulated positions,  
compares at least one of  
accumulated counterparty positions and accumulated  
parent entity positions with at least one trading  
limit; and  
20 shuts off trading for the  
counterparty when at least one of the accumulated  
counterparty positions and the accumulated parent  
entity positions exceeds the at least one trading  
limit.

13. The system of claim 12, further  
comprising a clearing system that provides trade  
information relating to at least one of cleared trades  
and failed trades, wherein the credit processor also  
5 receives trade information relating to at least one of  
cleared trades and failed trades, adjusts accumulated  
counterparty positions based upon the trade information  
relating to the at least one of the cleared trades and  
the failed trades, and adjusts accumulated parent  
10 entity positions based upon the trade information  
relating to the at least one of the cleared trades and  
the failed trades.

14. The system of claim 12, wherein the  
credit processor also accumulates counter party  
positions based upon long-bond-equivalents.

15. The system of claim 12, wherein the  
credit processor also accumulates parent entity  
positions based upon long-bond-equivalents.

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16. The system of claim 12, wherein the credit processor also updates an operator interface that shows the accumulated counterparty positions.

17. The system of claim 12, wherein the credit processor also updates an operator interface that shows the accumulated parent entity positions.

18. The system of claim 12, wherein the credit processor in comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading

5 limit:

determines whether the at least one trading limit includes a limit for the accumulated counterparty positions; and

compares the accumulated counterparty  
10 positions to the limit for the accumulated counterparty positions when the limit exists.

19. The system of claim 12, wherein the credit processor in comparing of at least one of accumulated counterparty positions and accumulated parent entity positions with at least one trading

5 limit:

determines whether the at least one trading limit includes a limit for the accumulated parent entity positions; and

compares the accumulated parent entity  
10 positions to the limit for the accumulated parent entity positions when the limit exists.

20. The system of claim 12, wherein the credit processor also sends a message to indicate when trading for the counterparty has been shut off.

21. The system of claim 12, wherein the credit processor also:

compares at least one of accumulated counterparty positions and accumulated parent entity  
5 positions with at least one trading warning level; and  
sends a message to indicate when at least one of the accumulated counterparty positions and the accumulated parent entity positions exceeds the at least one trading warning level.

22. The system of claim 12, wherein the credit processor also provides an operator interface that prompts an operator to specify the at least one trading limit.

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